

August 2006

Elizabeth A. Jones, Chairman ★ Michael L. Williams, Commissioner ★ Victor G. Carrillo, Commissioner

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## FY 2006 as of 8-15-06

REBATE TYPE	REBATE AMOUNT	PAID	PENDING
Water heater--new construction	\$120	\$260,040	\$28,320
Water heater--electric replacement	\$300	\$48,600	\$4,200
Propane Star Home	\$400	\$128,000	\$12,400
Propane SuperStar Home	\$600	\$115,200	\$8,400
<b>TOTAL CONSUMER REBATES</b>		<b>\$551,840</b>	<b>\$53,320</b>

## Delivery-Fee Collections

As of August 4, delivery-fee revenue for fiscal 2006 totaled \$1,801,607. This amount is 11 percent lower than the average collections for that date. Heating degree days for Texas were 19 percent below normal levels for the 2005-2006 heating season, and 11 percent below normal nationally.

## FY 2007 Rebate Amount Recommendations

The AFRED Advisory Committee recommended the following consumer rebate levels for propane equipment **installed** September 1, 2006 – August 31, 2007. These are the same amounts that were in effect from September 1, 2004 - August 31, 2005. Download current rebate forms at [www.propane.tx.gov](http://www.propane.tx.gov) or call 800-64-CLEAR.

Rebate type	Rebate Amount
Water heater--new construction	\$150
Water heater--electric replacement	\$300
Propane Star Home	\$550
Propane SuperStar Home	\$750

## Propane Motor Fuel Tax Credit

Beginning October 1, propane motor fuel suppliers can claim a tax credit for their sales of propane used for on-road propane motor fuel. At AFRED's 6.1 continuing-education class for company owners and managers on September 7 in Austin, the Internal Revenue Service will give a presentation on how to claim the tax credit, which forms to use, and how to apply the credit to tax-exempt entities such as state government and school districts.

Register for the class at [www.propane.tx.gov](http://www.propane.tx.gov).

## PROPANE MARKETER *of the Year*

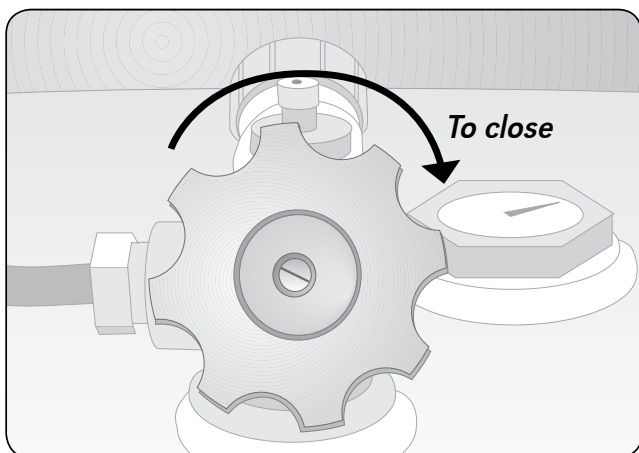
Action Propane's Wanda Hoggarth is the 2006 winner of the Bill Henderson Marketer of the Year Award. According to Wes Welch, Welchgas, "Their company name says it all. Action Propane's marketing efforts are unparalleled, and they set high standards in customer service. If you've ever visited their office, you'll see proof of their claim that they are successful because of the people who work there. The two principal owners of this company, Wanda and the late Murray Hoggarth, have been long-serving members of the Texas Propane Gas Association and active in their church and community."

WelchGas created the Bill Henderson award to honor the most innovative propane marketer in the state each year and works with AFRED to identify outstanding candidates. A permanent plaque listing all the winners is installed in AFRED's offices in Austin. Previous winners include 1997 - Roadrunner Energy; 1998 - Concho Butane; 1999 - Rath Propane; 2000 - Nichols' LP Gas; 2002 - Ayres Oil; 2005 - Schneider Distributing.

AFRED and Wes Welch will present a plaque to Wanda at the September 7 continuing education class for propane company owners and managers.

## Hurricane Season Safety Tips

With hurricane season in full swing, you can help your propane customers be more prepared this year. AFRED offers free bill stuffers and brochures, such as Stormproof Your Tank and Home Safe Home. We also have free safety tip news releases you can send your local paper to run either just before or just after a storm.



**Excerpt from Stormproof Your Tank  
bill stuffer**

## Regulatory Update

### DOT and DPS to Speak at Regulatory Compliance Course

Register online for the September 7 class and hear the latest from the Department of Transportation, Department of Public Safety, Tier II (Department of Health), LP-Safety and other regulators on issues that affect the propane industry.

The course is free of charge and limited to current and prospective Railroad Commission management-level LP-gas certificate holders. Attendees receive 8 hours of Railroad Commission continuing-education credit. To register online, go to [www.rrc.state.tx](http://www.rrc.state.tx), click on "Propane/LP-Gas Training and Certification," and select "Register Now."

Lunch and a presentation on propane residential home generators will be provided by Manchester Tank.

## RAILROAD COMMISSION CONTACT LIST

### COMMISSIONERS

Elizabeth A. Jones, Chairman (512) 463-7140  
Michael L. Williams, Commissioner (512) 463-7144  
Victor G. Carrillo, Commissioner (512) 463-7131

### AFRED

Dan Kelly, Director (512) 463-7291  
Heather Ball, Marketing/Public Education (512) 463-7359  
Eileen Latham, Rebate Coordinator (512) 475-2911  
Steve Jaeger, Research/Technical Services (512) 463-9202  
Thomas D. Petru, Training (512) 463-6930  
Carol Goodman, Training Registration (512) 463-2682  
Rayfield Hearne, Certification (512) 463-6845  
Wanda Dunning, Exam Coordinator (512) 463-6933  
All other information and AFRED staff (512) 463-7110  
Toll-free (800) 642-5327  
FAX: Training/Bolm Road (512) 475-2532  
FAX: Rebates/Marketing/Division Office (512) 463-7292

### AFRED FIELD STAFF

Susan DeCELL, East Texas (713) 628-9915  
Rudy De La Garza, South Texas (956) 245-0715  
Tracy Wells, North/East Texas (214) 728-9908  
Pat Wilson, Central Texas & Forklift Coord. (512) 971-0108  
Bobby Wood, West Texas (325) 669-4995

### GAS SERVICES

Stephen Pitner, Director (512) 463-7938  
Jackie Standard, Director, License & Permits (512) 463-7118  
Richard Gilbert, LP-Gas Regulations (512) 463-6935  
Irma Garza, Licensing Rep. A-C, Z, #'s (512) 463-7299  
Sherri Washington, Licensing Rep. D-H, V & W (512) 936-4146  
Angela Whitehead, Licensing Rep. I-N, T & U (512) 463-7207  
Linda Bailor, Licensing Rep. O-S, X & Y (512) 463-6940  
Toll-free (866) LPG-4321

### SAFETY DIVISION

Mary McDaniel, Director (512) 463-7166  
James Osterhaus, LPG Program Manager (512) 463-6692  
Dawn Richardson, Exceptions and Inspections (512) 463-2339  
FAX: LP-Gas Safety Section (512) 463-7319

## Exam Outside Austin After October 1? Tell Us You're Coming!

AFRED staff gives about 3,200 qualifying examinations each year at some 20-25 locations statewide. About 60 percent of the exams are given outside Austin. Exams given outside Austin are scheduled three months in advance and posted on the RRC web site, [www.rrc.state.tx.us](http://www.rrc.state.tx.us).

To use staff time and travel dollars more efficiently, the Commission has given AFRED the green light to start requiring registration at least two business days in advance for exams given outside Austin. A six-month trial period will begin October 1.

Exams will still be available in Austin on a walk-in basis without pre-registration every business day at the AFRED Training Center, 6506 Bolm Road.

The easiest way to register is online at [www.rrc.state.tx.us](http://www.rrc.state.tx.us). Click on "Propane/LP-Gas Training and Certification" and select "Register Now." You may also register by faxing the examinee's name, the exam to be taken, and the scheduled exam date and location to Carol Goodman at (512) 475-2532 or by telephoning (512) 463-2682.

Look for more details in the September Propane Insider.

## ON TRACK: PREVENTING LEAKS



*In this issue the Propane Insider starts a new series, On Track, devoted to preventing accidents through training. Each article in the series will identify a serious safety risk and describe how AFRED's Texas Propane Training classes teach technicians to minimize that risk. This month's subject is leaks.*

Leaks are the most common contributing factor to residential LP-gas accidents in Texas.

Pressure tests and leakage tests are the propane industry's first lines of defense against leak-related accidents. The standards for these tests are found in National Fire Protection Association (NFPA) 54, National Fuel Gas Code (1999 edition) §§4.1, "Pressure Test and Inspection," and 4.2, "System and Equipment Leakage Test.":

4.1.1 General. (a) Prior to acceptance and initial operation, all piping installations shall be inspected and pressure tested to determine that the materials, design, fabrication, and installation practices comply with the requirements of this code [NFPA 54].

4.2.3 Test for Leakage. Immediately after the gas is turned on into a new system or into a system that has been initially restored after an interruption of service, the piping system shall be tested for leakage. If leakage is indicated, the gas supply shall be shut off until the necessary repairs have been made.

### What's the Difference?

Note the difference between a pressure test and a leakage test. A pressure test is performed on new or modified piping systems before any appliances are connected. A leakage test is performed on a complete piping system, with appliances connected, before the system is placed into operation and after initial installation and pressure testing or interruption of gas supply to verify that the system does not leak. Technicians often state they have performed a pressure test when they actually performed a leakage test.

### Training Helps Prevent Leaks

To perform their jobs effectively, service technicians must know the difference between pressure and leakage tests, the specific procedures, pressures and time periods required for each, and how to document the tests. Documentation of pressure and leakage tests is very important in the event of an accident involving the propane system.

Four AFRED courses emphasize pressure and leakage tests. They are Modules 2.3, Bobtail Operations; 3.1, Residential System Layout and Design; 3.2, Residential System Installation; and 3.11, Residential System Inspection. Each of these courses trains propane handlers on the methods and equipment used to perform pressure and leakage tests. Module 3.11, Residential System Inspection, provides the most thorough training in how to conduct and document both tests.

Since 2004 AFRED has held 99 of these classes and trained 1,217 technicians how to perform and document pressure and leakage tests in accordance with NFPA 54.

Tracy Wells, AFRED North Texas Marketing Representative

## INTRODUCING BUILDERS TO NEW PROPANE TECHNOLOGY

Although Monte Oliver, Sales Manager for Propane Bottle Service Company, has been pleased with the sales leads that his membership in the Greater Fort Worth Area Builders Association has generated, he wanted more. "I wanted to show the builders that propane offers the latest technology to build a cozy, modern home that's easy on the budget – for both the builder and the client."

Monte regularly attends Builders Association monthly luncheons and After Business meet-ups. "Builders have to see you around, and attending these meetings tells them you support their local association. That gives you credibility with the builder," he explains.

In December, I gave a presentation about propane's "upsell" opportunities to area builders. Monte noted their interest in additional propane appliances that could add value to the home, and he decided to follow up with a more in-depth presentation on tankless water heaters. He and Doug Maclay, a partner in Propane Bottle Service, decided to sponsor a luncheon for the Parker County Builders Association focusing on tankless water heaters. Monte recruited Gas Equipment to co-sponsor the luncheon and feature Rinnai tankless water heaters. "Sponsorship generally means picking up the lunch tab for the attendees," explains Doug.

The only luncheon date the Parker County Homebuilders had open this year was June. "You have to book your sponsorship nearly a year in advance with some of the larger associations," Monte says. Loy Rooke with Gas Equipment Company brought along the Gas Equipment burn trailer, which has the Rinnai Tankless Water Heater and gas logs to display outside. Jim Roemer with M-R Sales and Marketing and two Rinnai representatives from

Kansas City were on hand to answer technical questions. AFRED provided propane information and give-aways.

About 45 association members attended the luncheon. Monte introduced himself and Doug and talked briefly about Propane Bottle Service Company. He then turned the presentation over to Loy Cooke, who gave a 10-minute overview of the

advantages of tankless water heaters. Then everyone moved outside to see the equipment. "Builders are tire-kickers," Monte says. "Everyone was interested in going outside to see the equipment and talk to the experts about specific design and installation issues. Particularly with the new Texas Residential Construction Commission warranty requirements, builders need to know everything they can about the products they install."

Loy Rooke, Jim Roemer, and the two Rinnai representatives were very knowledgeable and able to answer everyone's questions.

Many builders commented on how informative the meeting was. And Doug Maclay was pleased with the relationships generated with several new homebuilders.

"I'm already planning to co-sponsor another luncheon next year," reports Monte. "I may focus on generators or outdoor kitchens or underground tanks. I'll probably do it earlier in the year, because a lot of builders are either on vacation or too busy to attend during the summer. But this is a great avenue to get your company and propane products in front of a receptive audience."



Monte Oliver of Propane Bottle Service; Lay Cooke of Gas Equipment; AFRED's Tracy Wells, and Doug Maclay of Huffhines Gas collaborated to bring the latest in propane technology to area builders.

***"Builders have to see you around, and attending these meetings tells them you support their local association. That gives you credibility with the builder."***

***– Monte Oliver***

**RAILROAD COMMISSION OF TEXAS**  
**Alternative Fuels Research and Education Division**  
**Examination Schedule**  
**August - October 2006**

**Walk-in exams every business day, 8 a.m. to 12 noon, at 6506 Bolm Road, Austin 78721**

**Examinations are also available at the following times and locations:**

<b>Date</b>	<b>City</b>	<b>Facility</b>	<b>Address/Link to Map</b>	<b>Exams</b>
08/17/06	Waco	TxDOT	100 So. Loop Drive	8:00 AM
08/17/06	Lufkin	TxDOT	1805 N. Timberland Dr.	8:00 AM
08/17/06	El Paso	RRC	401 Franklin Ave., 5th Fl. Rm. 570	8:00 AM
08/24/06	San Angelo	RRC	622 S. Oakes Rm. 104	8:00 AM
08/24/06	Harlingen	TCEQ	1804 W Jefferson Ave.	8:00 AM
08/28/06	Austin	RRC	6506 Bolm Road	5:00 PM
08/31/06	Houston	RRC	1706 Seamist Dr.	8:00 AM
09/07/06	Austin	RRC	6506 Bolm Road	5:00 PM
09/07/06	Garland	RRC	1546 Rowlett Rd. Ste. 107	8:00 AM
09/11/06	Austin	RRC	6506 Bolm Road	5:00 PM
09/12/06	Kilgore	RRC	619 Henderson Blvd	5:00 PM
09/12/06	Corpus Christi	RRC	10320 IH 37	5:00 PM
09/13/06	Kilgore	RRC	619 Henderson Blvd	5:00 PM
09/13/06	Corpus Christi	RRC	10320 IH 37	5:00 PM
09/14/06	Austin	RRC	6506 Bolm Road	5:00 PM
09/14/06	Kilgore	RRC	619 Henderson Blvd	8:00 AM
09/14/06	Corpus Christi	RRC	10320 IH 37	8:00 AM
09/19/06	Austin	RRC	6506 Bolm Road	5:00 PM
09/20/06	Austin	RRC	6506 Bolm Road	5:00 PM
09/21/06	Austin	RRC	6506 Bolm Road	5:00 PM
09/28/06	Amarillo	TxDOT	5715 Canyon Drive	8:00 AM
09/28/06	Abilene	TxDOT	4250 N. Clack	8:00 AM
09/28/06	Houston	GAS EQUIPMENT	11510 N. Petro Park Dr.	8:00 AM
10/03/06	El Paso	RRC	401 Franklin Ave., 4th Fl. Rm. 485	5:00 PM
10/03/06	Austin	RRC	6506 Bolm Road	5:00 PM
10/04/06	El Paso	RRC	401 Franklin Ave., 4th Fl. Rm. 485	5:00 PM
10/04/06	Austin	RRC	6506 Bolm Road	5:00 PM
10/05/06	Austin	RRC	6506 Bolm Road	5:00 PM
10/05/06	El Paso	RRC	401 Franklin Ave., 4th Fl. Rm. 485	8:00 AM
10/05/06	Garland	RRC	1546 Rowlett Rd. Ste. 107	8:00 AM
10/16/06	Austin	RRC	6506 Bolm Road	5:00 PM
10/17/06	Midland	RRC	10 Desta Drive	5:00 PM
10/18/06	Midland	RRC	10 Desta Drive	5:00 PM
10/19/06	Austin	RRC	6506 Bolm Road	5:00 PM
10/19/06	Midland	RRC	10 Desta Drive	8:00 AM
10/26/06	Houston	GAS EQUIPMENT	11510 N. Petro Park Dr.	8:00 AM
10/30/06	Austin	RRC	6506 Bolm Road	5:00 PM

**NO EXAMS WILL BE GIVEN OUT AFTER 5:30 PM OR 9:00 AM**



# PROPANE CONSUMER REBATES

**EFFECTIVE SEPTEMBER 1, 2006**

- \$ 300** Replacement of electric water heater with propane water heater
- \$ 150** Installation of propane water heater in a new construction
- \$ 550** Propane Star Home – required: new propane water heater, new propane furnace, new/used propane dryer, and any one of the following new propane appliances: gas range, gas cooktop, gas oven, gas logs, or hard-piped gas grill.
- \$ 750** Propane Super Star Home – required: 2 or more new propane water heaters, 2 or more new propane furnaces, new/used propane dryer, and any one of the following new propane appliances: gas range, gas cooktop, gas oven, gas logs, or hard-piped gas grill.

These recommendations must be approved by the Commission at their next meeting before they can go into effect. The next Commission Conference is August 22.

## RULES

1. **Application must be postmarked within 30 days of the date propane is turned on by propane marketer.**
2. Well documented work order, GAS CHECK, or Residential Safety Check form must be submitted with application.
3. Home Builders are eligible for rebates.
4. The program is subject to available funds on a first-come basis.
5. The Alternative Fuels Research and Education Division of the Railroad Commission has a toll-free hotline with updated information on rebate availability. Access [www.propane.tx.gov](http://www.propane.tx.gov) for applications and guidelines.



**RAILROAD COMMISSION OF TEXAS**

Alternative Fuels Research & Education Division

1-800-64-CLEAR or [www.propane.tx.gov](http://www.propane.tx.gov)